

14 August 2020

**The Ad Hoc Committee on the Appointment of the Auditor-General (AG)**

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**OUTA COMMENTS ON THE SEVEN CANDIDATES SHORTLISTED FOR THE AG POSITION**

1. The Organisation Undoing Tax Abuse (OUTA) is a civil activist organisation with a vision for a prosperous country with an organised, engaged and empowered civil society that ensures responsible use of tax revenues throughout all levels of government. We challenge and act against maladministration and corruption and where possible work with communities and authorities in improving administration and service delivery, within all spheres of government.
2. In our efforts to safeguard our Constitution and strengthen our democracy, we aim to help communities and authorities strengthen government institutions through participating in processes like this, to onboard competent and accountable leadership. We also participate in processes to improve the checks and balances of these institutions.
3. We are therefore grateful that the Ad Hoc Committee on the Appointment of the Auditor-General (AG) has allowed for public participation in the form of commenting on the seven shortlisted candidates who are being considered for the position.
4. However, it needs to be noted that civil society was not afforded the opportunity to participate in the whole process and the time provided to comment on the shortlisted candidates was also very limited. This highlights, amongst others, the following concerns:

- 4.1 A lack of transparency on the whole AG appointment process which should have been an open process from the start;

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- 4.2 A lack of transparency on the selection criteria and process followed to obtain and vet approximately 70 CVs for the AG position; and
  - 4.3 A lack of transparency on the process and decisions made to select only seven candidates and adding them to a shortlist.
5. Due to the above concerns we would like to echo Corruption Watch's request for the following:
    - 5.1 A more transparent and engaging approach in future to ensure sufficient public participation;
    - 5.2 Adequate time for public participation;
    - 5.3 Strengthened criteria to select the best candidates on merit; and
    - 5.4 Complete transparency in the whole process, from the start.
6. Regarding the shortlisted candidates on whom the public was afforded the opportunity to provide public input, we reviewed the advertisement to better understand the requirements for the position and also used a matrix to determine the skills set needed as the AG which we then matched to the information in the candidates' CVs.
  7. Some of the behavioural competencies cannot be gleaned from CVs, such as independence, ethics etc. We therefore did not give any benefit for these competencies.
  8. We did not consider experience on boards and audit committees (demonstrates competencies in governance) as experience in auditing, which is a critical requirement for the position.
  9. We also did not consider auditing experience unless it was recent as the auditing environment is dynamic and has changed substantially in the past few years alone.
  10. In our study we managed to identify three candidates as the top candidates, although the scores are close. This was reinforced by considering each CV as a whole. Our evaluation suggests that the most eligible candidates are Tsakani Maluleke, Michael Sass and Zakariya Hoosain.
  11. OUTA wants to make it clear that it is not endorsing any candidate as we have not been part of the full process. However, from the shortlist of candidates provided for us to comment on in this public participation process, Ms Maluleke seems to be the most eligible for the position of

Auditor-General South Africa. Our findings indicate that Ms Maluleke represents the opportunity to provide assurance and comfort to the public that an institution as critical as the Office of the Auditor-General will be led by an individual who has the required competencies, ethics, integrity and commitment to serve the public interest, and hold to account those who are responsible for spending public funding.

12. More specifically, our vetting process indicated the following qualities and competencies demonstrated by Ms Maluleke:

- 12.1 Technical competencies in areas which are crucial to an understanding of the mandate of the Office of the AG, viz. auditing, accounting and governance;
- 12.2 Experience in the public sector, including all three spheres of government based on her tenure at the office of the AG and involvement in the audits of these entities.
- 12.3 Demonstrated commitment to serve the public based on participation in structures which represent the public interest.
- 12.4 Untainted record in respect of ethics, independence, and integrity – qualities which are crucial to the position which will hold government and government entities to account.
- 12.5 Experience in leadership and strategy in her position of Deputy Auditor-General.
- 12.6 Commitment to improving audit quality which ultimately results in better audit outcomes for the protection of all citizens.
- 12.7 Commitment to transformation in the profession.

13. OUTA is also pleased that, in addition to complying with the essential requirements for the position, Ms Maluleke will represent the first African female to occupy this position in South Africa, and her appointment will therefore also demonstrate government's commitment to equality and diversity.

14. We trust that Ms Maluleke, should she take up the position of AG, will lead the Office without fear or favour and proudly represent the principles which the Office of the Auditor-General stands for.

15. Finally, we recommend that the following questions be asked in the interviews with the shortlisted candidates throughout the final round of interviews:

- 15.1 The auditing profession, both in the private and public sector, has been under public scrutiny for the past few years as a result of the various audit failures which resulted in loss of funds to investors, the public and pensioners. What will you do to restore confidence and trust in the auditing profession and specifically the Office of the Auditor-General?
- 15.2 The Auditor-General is expected to improve public finance and the performance of public entities which will contribute to a more efficient and accountable public sector. Yet it must remain independent of the auditees. How will you achieve the right balance?
- 15.3 As the world and audited entities start to respond to the 4<sup>th</sup> Industrial Revolution, how will you ensure that the Office and auditors remain competent to audit in this dynamic environment?
- 15.4 With the extended powers of the AG under the amended Public Audit Act, can you assure civil society that you will hold transgressors to account without fear or favour?
- 15.5 Corruption is now embedded across most government departments and institutions, so how do you prioritise which transgressors to tackle?
- 15.6 Should you fail in your duty as the AG, or to hold transgressors to account, will you resign instead of abusing tax money to protect your position to see through your tenure?
- 15.7 How will you ensure the safety and security of auditors?

16. Good luck with this extremely important task and please do not hesitate to contact us should you wish to further discuss our motivation, Honourable Members.

Yours faithfully

**Matt Johnston – Parliamentary Engagement Manager**

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